REMARKS

Claims 1, 20,39, 62 - 64, 67, 69, and 71 have been amended. No new matter is added with these amendments, which are supported in the specification as originally filed. Claims 1, 7 - 8, 20, 26 - 27, 39, 45 - 46, 59, and 62 - 71 remain in the application.

I. Rejection Under 35 U.S.C. §103(a)

Paragraph 4 of the Office Action dated December 29, 2004 (hereinafter, "the Office Action") states that Claims 1, 7 - 8, 20, 26 - 27, 39, 45 - 46, 59, 64 and 69 - 71 are rejected under 35 U.S.C. §103(a) as being unpatentable over U.S. Patent No. 5,878,141 to Daly et al. in view of U.S. Patent No. 6,029,141 to Bezos et al. Paragraph 5 of the Office Action states that Claims 62 - 63 and 65 - 68 are rejected under 35 U.S.C. §103(a) as being unpatentable over Daly et al. in view of Bezos et al. and further in view of U.S. Patent No. 6,282,713 to Kitsukawa et al. These rejections are respectfully traversed.

Applicant has amended his independent Claims 1, 20, 39, and 71 to more clearly specify his usage of TV context information (in Claims 1, 20, and 39) or contextual information (in Claim 71). Applicant respectfully submits that his claims contain a number of limitations not taught, nor suggested, by the references, whether taken singly or in combination, as will now be discussed.

Daly fails to teach use of any type of "TV context information". This was previously admitted in Office Actions dated Feb. 14, 2003 (see p. 3, lines 8 - 11 of the discussion in

paragraph 5 therein, beginning at "What is not disclosed, however, ..."); July 30, 2003 (see p. 3, lines 10 - 17 of the discussion in paragraph 4 therein, beginning at "What is not disclosed, however, ..."); and Jan. 2, 2004 (see p. 4, lines 15 - 20 therein, beginning at "What is not disclosed, however, ..."). However, in the present Office Action, the term "TV context information" is now equated to "the identity of a merchant, the identity of a purchaser, and the purchase amount" (see p. 3, lines 8 - 11).

Referring to p. 4, lines 3 - 11 of Applicant's specification, Applicant discusses use of "TV context" to "enable TV originators to share in the profits ... associated with viewer purchases". Page 3, lines 20 - 24 of Applicant's specification describe several examples of TV originators, and p. 3, line 24 - p. 4, line 2 explicitly states that merchants are not included within the definition of TV originators because the merchants "will participate in the merchandising revenue as a matter of course". Accordingly, Applicant has amended his independent claims to clarify that the TV originators are "distinct from said merchant". Applicant has further amended independent Claims 1, 20, and 39 to clarify that the TV context information "relates to a TV context in which said offering is presented to said consumer" and "enables identifying [these] TV originators". Amendments to independent Claim 71 are similar. Thus, it should be clear that Applicant's TV context information is patentably distinct from Daly's merchant identity, purchaser identity, and/or purchase amount.

Furthermore, Applicant's independent Claims 1, 20, and 39 specify limitations of transmitting this TV context information to an issuer, when requesting authorization of payment

(see lines 12 - 14 of Claim 1, for example). Daly has no teaching, nor any suggestion, of sending "TV context information" to an issuer. Daly also has no teaching of including such information in an authorization token nor digitally signing an authorization token by an issuer. It is to be noted that Daly only refers to digital signatures of the purchaser when he discusses authorizing a purchase; see col. 13, lines 29 - 30, failing to discuss digital signature when discussing the issuing bank, and col. 13, lines 39 - 45, explicitly stating that the purchaser's digital signature authorizes the purchase and "assures the merchant that the purchaser is real, has sufficient money, will pay for the goods, and has legally signed for the goods". Daly also fails to teach sending such authorization token to an acquirer.

Applicant notes that p. 3, lines 18 - 20 of the Office Action state that it is "inherent" that the sponsoring institution sends a message to the head end. Applicant interprets that the Office Action is equating "sponsoring institution" to an issuer, and notes that Daly teaches that the "head end" may provide functions of an acquirer. Lines 20 - 21 on p. 3 of the Office Action further state that this "inherent" message must have a "means of identifying the transaction information" such as a user and amount thereof. However, Applicant's claim language specifies that the TV context information enables identifying TV originators, not identifying a transaction. Applicant believes that the amendments made to his independent claims (e.g., in lines 8 - 11 of Claim 1) will more fully clarify this distinction.

In addition, as admitted in the Office Action on p. 4, lines 17 - 20, Daly also fails to teach the limitation of "automatically allocating a portion of the payment ..." to the TV originator(s).

Bezos is then cited for this teaching. Applicant's independent Claims 1, 20, and 39 specify that an acquirer does the "automatically allocat[ing] ... and reducing", and independent Claim 71 specifies that the acquirer does the "programmatically allocating ...". Bezos states, throughout his specification, that the merchant is responsible for processing his referral fees and distributing the fees to his associates. See, for example, col. 2, lines 61 - 65, "Software running on the merchant site then uses the information collected within the shopping cart to identify, and appropriately credit the account of, each associate that provided a corresponding referral.", emphasis added. See also col. 7, lines 30 - 34, "A computer program **144** of the merchant Web site **106** uses this [associate ID] information ... to credit the sale (referral) to the associate ...", emphasis added.

Applicant is entitled to have all words of his claim limitations given patentable weight. See Section 2143.03 of the MPEP, "All Claim Limitations Must Be Taught or Suggested", referencing ***In re Wilson***, 165 USPQ 494, 496 (C.C.P.A. 1970), which stated "*All words* in a claim must be considered in judging the patentability of that claim against the prior art." (emphasis added). Processing funds by a merchant (as taught by Bezos) is not the same as, and is patentably distinct from, processing funds by the merchant's acquirer (as specified in Applicant's claims).

Applicant has stated in his specification (see, for example, p. 23, lines 3 - 7) that his invention prevents merchants from tampering with the authorization token, which contains the TV context information (and thus an unscrupulous merchant cannot avoid making payments that

are rightly due to the TV originators). This is because Applicant's acquirer, which is a distinct entity from the merchant, receives an authorization token that is digitally signed, and thus the acquirer can detect if the merchant has removed or altered the TV context information. Bezos' merchant-processed approach does not provide this safeguard. In fact, Bezos even notes that a merchant may "withhold" payment of referral credit (see col. 11, lines 24 - 26) and outlines "configurations" whereby a merchant can unilaterally decide which products will qualify for referral credit. These configurations are discussed at col. 12, lines 44 - 51, where in "one configuration option", the merchant gives referral credit for "all additional products thereafter selected" following the user's use of a referral link, and by contrast, in "another configuration option", the merchant only gives referral credit "for the purchase ... that was the subject of the referral", thus avoiding referral credit for the "additional products thereafter selected". It will be obvious that an unscrupulous merchant has great leeway, in Bezos' approach, to underpay referral credits.

Applicant has amended his independent claims herein to clarify that the acquirer "is distinct from" the merchant. Applicant therefore respectfully submits that his claim limitations pertaining to allocation of payments are clearly distinct from Bezos' merchant-processed referral credits approach.

Thus, in view of the above, it is clear that Applicant's independent claims contain limitations not taught by Daly, Bezos, and/or a combination thereof (assuming, *arguendo*, that one of skill in the art would be motivated to attempt such combination). Applicant therefore

respectfully submits that his independent claims, and all claims depending therefrom, are patentable over the cited references. Accordingly, Applicant respectfully requests that the Examiner withdraw the §103 rejection of all claims.

II. Conclusion

Applicant respectfully requests reconsideration of the pending rejected claims, withdrawal of all presently outstanding rejections, and allowance of all claims at an early date.

Respectfully submitted,

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